

EDUCATION VOUCHERS

Fund Students, not Schools

The basic problems

Universal access and the quality of education are two of the most fundamental problems plaguing our education system. Over the years, different approaches have been tried to address these problems but none has worked well. The reasons for the failure are many but the result is that we have a two-tier system of government and private schools with all the attendant social, political and economic problems. Those who can afford go to private schools; those who cannot, go to government schools. The children of the poor have no option but the poorly functioning government schools. This gross inequality of schooling opportunities is the result of our current approach to education.

Education vouchers: equality of opportunity

The idea of Education Voucher is to empower the poor students so that they can attend a school of their choice. The poor and the upper class students all have a choice. Their choice in turn creates competition among schools to attract and retain students. The choice and competition working together provide universal access and higher quality of education to all.

Basically those who can afford will purchase education on their own but those who cannot will get a voucher from the government to pay for the fees. Hence there will be no two-tier system: The poor will have the same choice as the rich and schools will compete for all students. The same student who goes to a government school today can take the voucher from the government and go to any school of her choice.

What is a voucher?

The Education Voucher is a coupon offered by the government that covers the full or partial cost of education at the school of student's choice. The schools collect vouchers from students and present them to government for the amount of money specified on the voucher.

There are many advantages to education vouchers. First, the student gets the purchasing power to choose a school. Second, private schools would be ready to admit poor students (the burden of providing education to the poor is not on the school but the government). Third, the government is able to help the student directly, instead of indirectly through financing and managing schools.

Best of both worlds

The Education Voucher combines core competencies of the private and public sectors:

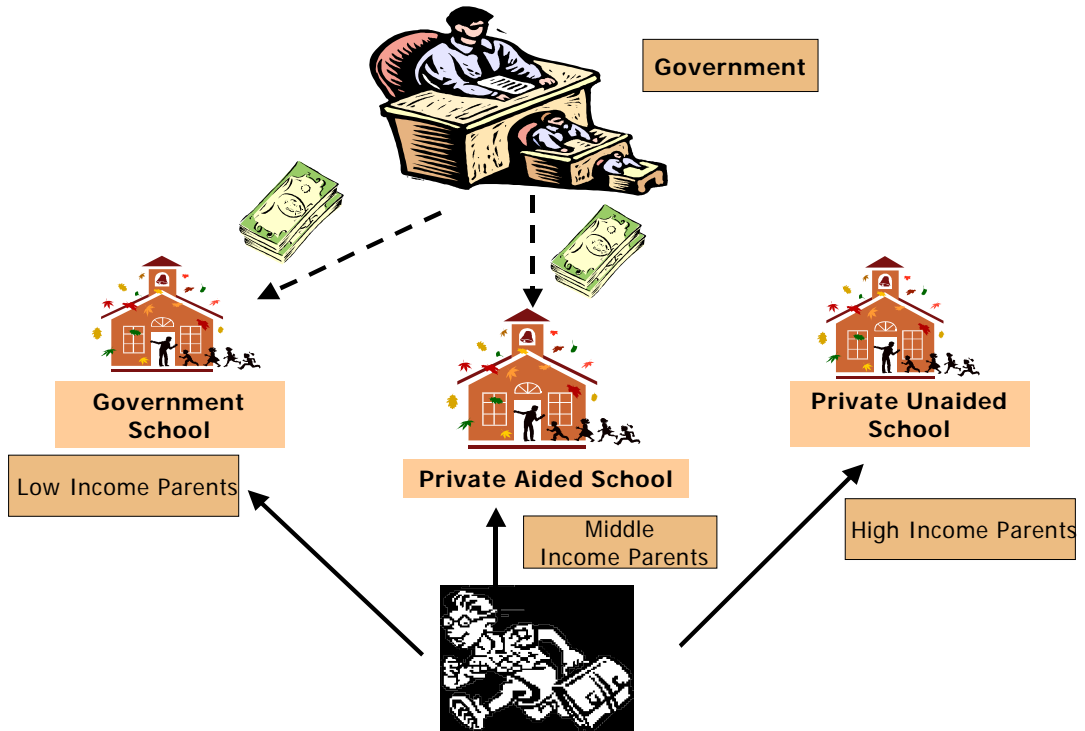
- Efficiency and accountability of the private sector
- Equity and independent supervision of the public sector

How does the voucher system differ from the present system?

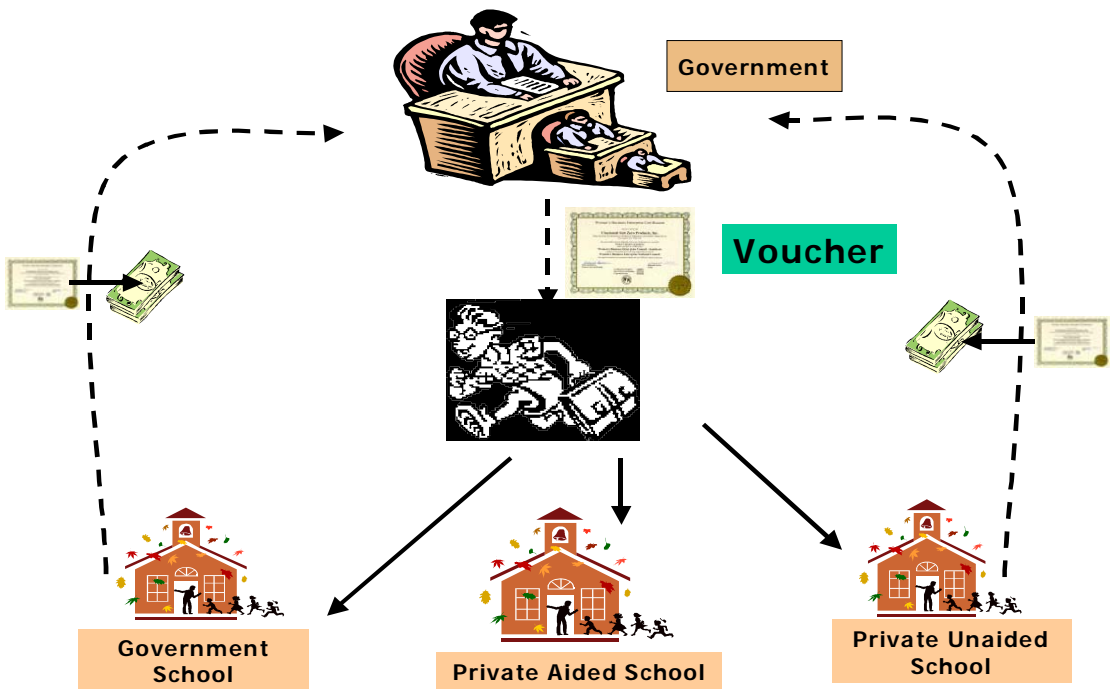
Today government provides funds to schools. These schools then provide education to students. The voucher system provides funding to the student who then approaches any of the schools for education. In the present system, the schools are accountable to the government. The voucher system makes schools accountable directly to students since they pay for the education through vouchers. If the student does not like the school, she can take her voucher to another school. Under the voucher system, money follows the student rather than the school as in the present system. The graphic on the next page captures well the differences in the present and the voucher system.

In the ancient time of *Gurukul* education, the pupil offered a *Gurudakshina* directly to the teacher as a fee for the education provided. The only difference in the voucher system is that the government provides the *Gurudakshina* of the poor student who seeks quality schooling. The education voucher system may be called *Gurudakshina Grant Scheme!*

Present System of funding Schools



Voucher System of funding Students



What are the benefits of education vouchers?

There is choice for students – Today a poor student is not able to avail good education because she cannot afford to go to a school at all or she is stuck in a poor performing school. The voucher gives her the money and thereby mobility to change to any school that she feels would give her good education.

Equality of opportunity – This scheme satisfies the Constitutional provisions which require children be treated equally and equal education opportunity to be provided to all irrespective of cash, caste or creed.




Incentives for schools to increase enrolment as well as quality – The revenue of a school would depend on the number of students it has—both who pay directly and who pay through vouchers. Each school would actively solicit students, including the poor (voucher) students. The resultant competition among schools would improve the quality of learning, of infrastructure, of extra-curricular activities. To attract and retain students, schools would offer variety of services that students and parents value—mid-day meals, transportation, supplementary tutorials, after school care. The schools provide these extra services not because they are mandated but because that is the way to keep their student-customers. More importantly, instead of a single mandated service like mid-day meals, each school would have the incentive to figure out the service that is most valuable to its students. In some cases, it could be mid-day meals, in other free transportation, or after school care.

Concerns of corruption and leakage in any public system are warranted. However a well designed voucher system will have less leakage than the present system as it puts the money directly in the hands of those who will pay and benefit from it.




Where else has this been implemented?

Voucher programs have been implemented in different forms in countries as diverse as Sweden, Chile, Columbia, Holland, USA, UK, New Zealand, Bangladesh, Czech Republic and Cote d' Ivorie.

The Cleveland Program

-  USA's first publicly funded voucher program
-  Voucher amount = 90% tuition fees, up to \$2,250
-  Low income students provided vouchers through lottery

Findings of the Cleveland Program

-  Parents satisfied with increased education opportunities.
-  Voucher students in private schools had increased test scores in language and science. These students were among the most disadvantaged students in Cleveland.
-  Test scores of voucher students increased with time.

What has been the experience of these countries?

There has been an increase in the quantitative indicators on all the following counts:

- Parental satisfaction
- Increase of test scores and learning outcomes of students
- Improved performance of public schools
- Increase in enrolment

Though the degree of improvement varies from case to case, there has been not a single case of decrease in parental satisfaction or educational standards after the introduction of a voucher scheme.

***When do vouchers work well?***

Vouchers work very well when the following conditions are fulfilled:

- Well-targeted population – Clear identification of voucher beneficiaries.
- Autonomy to schools to respond to student demands – Schools should have the necessary regulatory freedom in terms of admitting students, expanding classes or recruiting teachers.
- Choice of schools in the neighborhood – The field area should have adequate number of schools so that students have a variety of options.
- Informed choices by parents – There should be multiple sources of information like media reports of schools, performance reports by Directorate of Education and word of mouth sharing of information to enable an informed school choice.

Types of vouchers

Vouchers can be tailored for a variety of needs depending on access, availability or incentives.

- Access to public and/or private schools
- Voucher availability may be selective and restricted to
 - special groups, e.g., minorities, tribals
 - female students
 - low income family
- An incentive-based voucher scheme not only covers the direct education cost but also provides extra money for the indirect/opportunity cost.

How would a voucher model for Delhi look like?

The *Gurudakshina Grant Scheme*

Phase I: Begin with private aided schools

- Restrict the program to private aided schools (PAS) for students in the 6th standard and above.
- The voucher amount could be slightly less than the per capita expenditure by the Delhi government, estimated at Rs 800 per pupil per month.
- Inform government schools that the scheme would extend to them in the next two years. This would enable them to prepare for the competition.

Phase II: Include government schools

- Give vouchers to students of government schools above six standard.
- The vouchers can be used at either private aided schools or government schools.

Phase III: Include all schools

- Give vouchers to all students who qualify as per the established criteria.
- The vouchers can be used at any school of student's choice.

In conclusion, voucher schemes have benefited thousands all over the world in diverse countries and for very marginalized sections of society. There is every opportunity for all of us to provide more access and better quality of schooling to the students in Delhi through voucher schemes. We invite all individuals and organisations to give comments on the idea of vouchers for the poor students of Delhi. For more details on voucher schemes or comments on this idea please contact:

Parth J Shah
President
Centre for Civil Society
K-36 Hauz Khas Enclave, New Delhi 110016
Tel: 2653 7456/ 2652 1882 Fax: 2651 2347
Email: educationchoice@ccsindia.org